

Solano County Economic Forecast

Solano's key location between Sacramento and the Bay Area is well situated to attract industry from its neighbors, particularly as its three largest cities—Vallejo, Fairfield, and Vacaville—are positioned along the Interstate 80 freeway corridor.

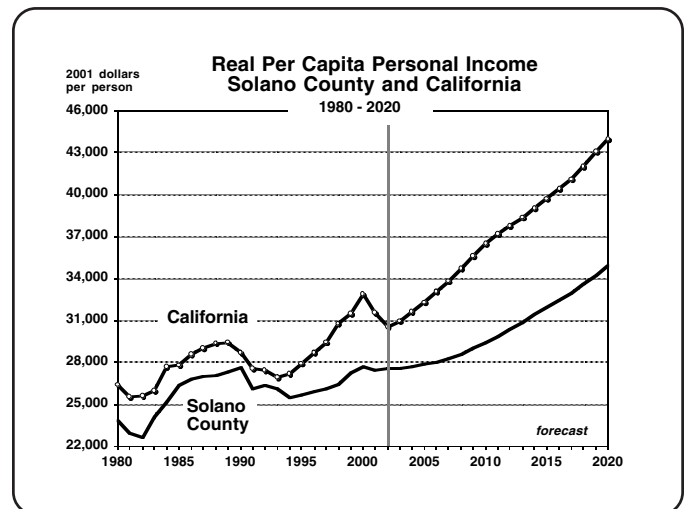
Solano ranks as the twentieth-highest populated county in the state with an estimated 418,600 in 2002, but its population is projected to reach 500,000 by the year 2010. This will make it one of the fastest growing Counties in California.

Solano County's affordable land is attracting new industries such as call centers, biotech manufacturing, food manufacturing, and small start-ups in high-tech industries. The 1998 closure of Mare Island Naval Base, located on the western edge of Vallejo, has brought a surge of new companies to the area, due in part to its attractive location.

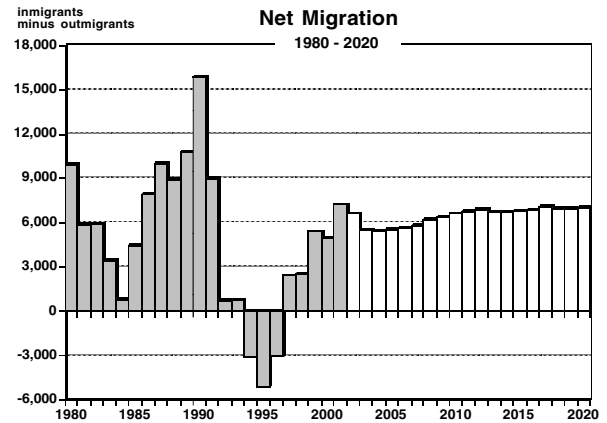
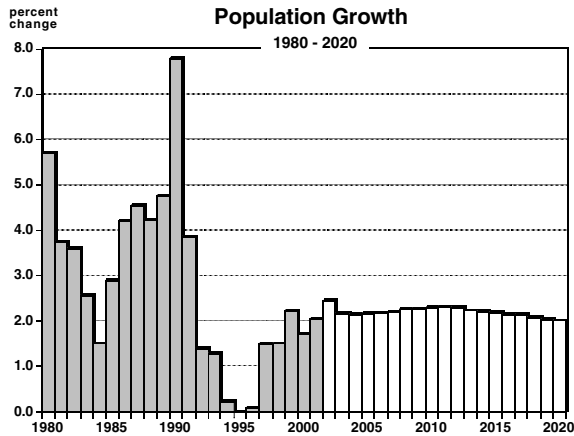
The local labor market conditions in Solano County have improved consistently over the last five years. The county continues to record job growth and a relatively low unemployment rate. The cost of office space, housing, and land for development is considerably less expensive in Solano County than in the Western Bay Area.

Forecast Highlights

- Growth of jobs slows over the next few years as growth is muted throughout the northern end of the State. However, labor markets in the county are expected to create an average of 3,000 jobs per year for the next 5 years. The unemployment rate does not exceed 5 percent over the forecast period.
- Population growth increases slightly, averaging 2 percent per year over the next 5 years. Net in-migration remains stable, and the natural increase dominates population growth. More housing is built, simply because land is cheaper and housing is more affordable—therefore, demand growth remains healthy for the foreseeable future.
- Real per capita income in 2001 was \$27,400. This indicator of personal wealth rises throughout the forecast, averaging 0.50 percent per year. This compares to the 1.5 percent rate of growth in real per capita income between 1995 and 2000.



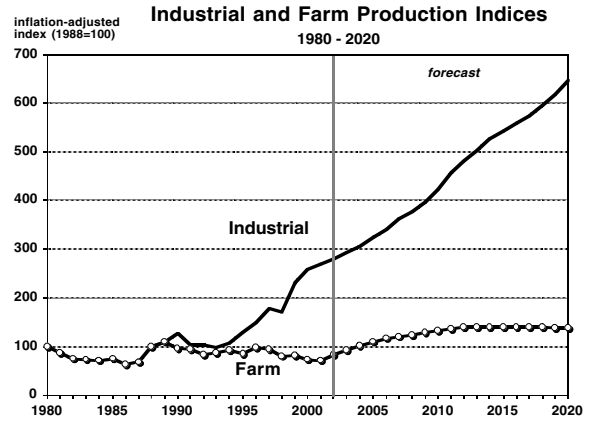
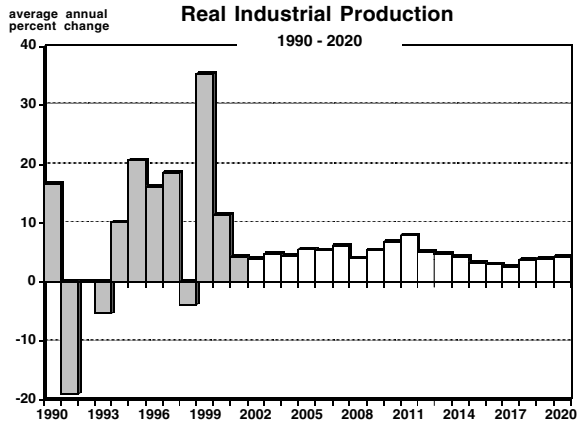
- A total of 2,555 housing units were permitted in Solano County in 2001. That number increases to 2,600 in 2002, and 2,700 in 2003. For all years of the forecast, more housing units are built in Solano County.
- The median home price in Solano County was a relatively affordable \$223,150 in 2001. With more new building, home prices in the County are not expected to rise sharply, simply because supply growth is forecast to equal demand growth. Real home prices are projected to increase an average of 2 percent per year over the next 5 years. This compares to the 4 percent average increase per year during the 1995-2000 period.



Solano County Economic Forecast

1995-2001 History, 2002-2020 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (number)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	373,200	-5,132	288,528	121.8	1,115	\$2.3	\$8.3	\$25,632	\$197.2	\$3
1996	373,600	-3,054	292,126	123.0	1,737	\$2.4	\$8.6	\$25,913	\$230.0	\$3
1997	379,200	2,410	280,811	124.1	1,542	\$2.5	\$8.9	\$26,092	\$223.5	\$4
1998	384,900	2,530	299,357	125.8	2,204	\$2.6	\$9.3	\$26,405	\$194.5	\$4
1999	393,500	5,423	312,215	127.1	1,953	\$2.9	\$10.0	\$27,211	\$201.6	\$5
2000	400,300	4,985	329,534	129.8	2,346	\$3.2	\$10.7	\$27,635	\$188.4	\$6
2001	408,585	7,256	334,675	131.9	2,555	\$3.3	\$11.2	\$27,383	\$190.8	\$6
2002	418,586	6,600	336,204	134.4	2,612	\$3.4	\$11.8	\$27,559	\$227.6	\$6
2003	427,697	5,544	342,386	137.0	2,777	\$3.6	\$12.3	\$27,524	\$257.5	\$6
2004	436,925	5,490	348,959	139.6	2,872	\$3.8	\$12.9	\$27,651	\$289.2	\$7
2005	446,436	5,601	355,866	142.4	2,829	\$4.0	\$13.6	\$27,803	\$319.9	\$7
2006	456,198	5,683	362,952	145.1	2,873	\$4.2	\$14.3	\$28,009	\$345.5	\$7
2007	466,252	5,822	370,206	147.8	3,002	\$4.5	\$15.1	\$28,247	\$364.2	\$8
2008	476,870	6,246	377,806	150.7	3,073	\$4.7	\$16.0	\$28,567	\$383.9	\$8
2009	487,759	6,382	385,560	153.6	3,241	\$5.0	\$16.9	\$28,962	\$409.3	\$8
2010	499,048	6,652	393,448	156.7	3,238	\$5.4	\$18.0	\$29,397	\$434.1	\$9
2011	510,621	6,814	401,258	159.8	3,238	\$5.7	\$19.2	\$29,836	\$456.8	\$10
2012	522,422	6,919	408,747	162.8	3,167	\$6.1	\$20.4	\$30,334	\$476.1	\$10
2013	534,154	6,750	415,975	165.9	3,164	\$6.5	\$21.8	\$30,875	\$490.9	\$11
2014	545,967	6,747	423,033	168.9	3,180	\$6.9	\$23.2	\$31,408	\$501.2	\$11
2015	557,943	6,846	430,113	171.9	3,187	\$7.3	\$24.7	\$31,925	\$512.3	\$12
2016	570,007	6,890	437,233	175.0	3,245	\$7.7	\$26.3	\$32,446	\$525.6	\$12
2017	582,326	7,102	444,528	178.1	3,154	\$8.2	\$28.0	\$32,946	\$540.1	\$12
2018	594,559	6,984	451,815	181.1	3,114	\$8.7	\$29.8	\$33,532	\$552.6	\$13
2019	606,804	6,976	459,258	184.1	3,133	\$9.3	\$31.8	\$34,210	\$562.4	\$13
2020	619,128	7,056	466,482	187.1	3,083	\$9.9	\$33.8	\$34,889	\$570.2	\$14



Total Wage & Salary (000)	Farm (000)	Mining & Construction (000)	Manufacturing (000)	Transportaion, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----								
99.2	1.6	6.7	8.5	4.0	27.7	3.5	22.3	24.8
99.4	2.0	7.1	9.1	4.1	27.2	3.8	23.7	22.5
102.8	2.1	7.9	9.8	4.4	28.2	4.0	24.2	22.4
106.3	2.2	8.0	10.0	4.5	28.5	3.8	26.1	23.1
112.0	2.3	9.2	10.0	4.4	28.9	4.3	28.6	24.3
117.1	2.4	10.3	10.2	4.2	30.1	4.9	30.4	24.5
120.7	2.5	11.0	10.8	4.1	30.8	4.7	31.5	25.3
123.8	2.4	11.5	11.0	4.2	31.4	4.8	32.2	26.3
126.8	2.4	12.0	11.3	4.2	32.0	4.9	33.2	26.8
129.9	2.4	12.4	11.5	4.2	32.7	5.0	34.4	27.3
133.2	2.4	12.8	11.7	4.3	33.3	5.1	35.7	27.8
136.6	2.5	13.3	12.0	4.3	33.9	5.2	37.0	28.3
140.1	2.6	13.8	12.2	4.4	34.6	5.4	38.3	28.9
143.6	2.7	14.3	12.4	4.4	35.2	5.5	39.7	29.3
147.1	2.8	14.9	12.7	4.5	35.9	5.6	41.0	29.8
150.6	2.9	15.4	12.9	4.5	36.5	5.8	42.4	30.3
154.1	3.0	16.0	13.1	4.6	37.2	5.9	43.6	30.7
157.4	3.1	16.6	13.3	4.6	37.8	6.0	44.7	31.2
160.5	3.2	17.1	13.5	4.7	38.5	6.2	45.6	31.8
163.6	3.2	17.7	13.8	4.7	39.2	6.3	46.4	32.3
166.7	3.3	18.2	14.0	4.8	39.8	6.5	47.3	32.9
169.8	3.3	18.7	14.2	4.9	40.5	6.6	48.2	33.5
172.9	3.4	19.2	14.4	4.9	41.2	6.8	49.1	34.1
176.1	3.4	19.7	14.6	5.0	41.9	6.9	50.0	34.6
179.4	3.4	20.2	14.8	5.1	42.6	7.1	51.0	35.2
182.6	3.4	20.7	15.1	5.1	43.3	7.2	52.1	35.8

